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SPARTAN EXPLORATIONS LTD. (N.P.L.)

ANNUAL REPORT 1969

ANNUAL MEETING

MAI TAI ROOM

BAYSHORE INN

1601 WEST GEORGIA ST.

VANCOUVER, B.C.

DECEMBER 19th 10:00 a.m.

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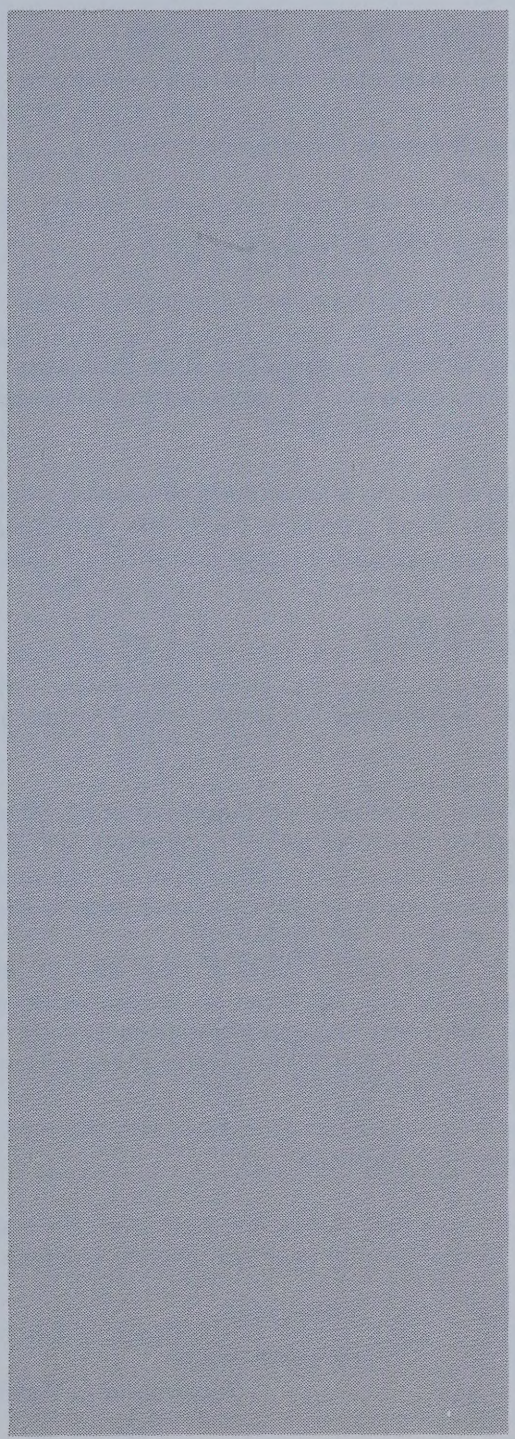


DIRECTORS:

Raymond L. DeProy, Vancouver, British Columbia.
Alan Kulan, West Vancouver, British Columbia.
James S. Dodge, Aspen, Colorado, U.S.A.
Donald W. Coates, Burnaby, British Columbia.

OFFICERS:

President	Raymond L. DeProy
Vice-President Operations	Alan Kulan
Vice-President Exploration	James S. Dodge
Managing Director	Donald W. Coates
Secretary-Treasurer	M. Barry Needham, C.A.

HEAD OFFICE:

303-1035 West Pender Street, Vancouver 1, B.C.

Phone: 688-2355 (Area Code 604)

REGISTERED OFFICE:

801 - 900 West Hastings Street, Vancouver 1, B.C.

AUDITORS:

Shand, Pearmain, McAfee & Pew,
900 Guinness Tower, 1055 West Hastings Street,
Vancouver 1, B.C.

SOLICITORS:

Lawrence & Shaw,
801 - 900 West Hastings Street, Vancouver 1, B.C.

REGISTRAR & TRANSFER AGENT:

Canada Permanent Trust Company,
455 Granville Street, Vancouver 1, B.C.

BANKERS:

Royal Bank of Canada,
Broadway & Cambie Branch, Vancouver, B.C.

Canadian Imperial Bank of Commerce,
Pender & Burrard Street Branch, Vancouver, B.C.

CAPITALIZATION:

10,000,000 Shares with a par value of 50¢ each.

Issued: 2,803,000 shares

EXCHANGE LISTING:

Vancouver Stock Exchange (Symbol S.P.E.)

PRESIDENT'S REPORT TO SHAREHOLDERS:

During the past year your company has conducted various work programs throughout western Canada in a continuing aggressive exploration policy. Significant details of our work can be found elsewhere in the text of this, our Second Annual Report.

Diamond drilling programs were conducted on two properties during August and September, before closing down because of early winter conditions.

A total of 1,928 feet of diamond drilling in three holes was completed on our Barrington Molybdenum project, located 30 miles west of Telegraph Creek, in an effort to further outline a large target area where very promising drill results were obtained last year. Evaluation of work to date has not yet been completed, but is currently underway for presentation to prospective joint venture partners for the further development of this property.

Four drill holes totalling 1,595 feet were drilled on a lead-zinc-silver-copper property in the Mount Haskin area, northern British Columbia. Your company holds the right to option this property, and evaluation of results obtained from our work to date is in progress so that an early decision can be reached regarding additional work.

Your company has entered into two prospecting syndicates actively engaged in mineral exploration in Saskatchewan and Guyana, South America. Both syndicates have operated assiduously since their inception and show possibilities to enhance the future growth and potential of your company.

Mitsui Mining & Smelting Co. Ltd. purchased 53,000 shares of Spartan at $1.50 per share by agreement dated August 18th, 1969. This brings the total shares of Spartan held by Mitsui to 253,000, all of which are subject to two-year pooling arrangements. Spartan has undertaken to grant Mitsui the right of first refusal on any properties your company may wish to joint venture.

In addition to the $79,500.00 obtained from Mitsui through the sale of shares, your company's treasury received a net amount of $250,000.00 from an underwriting of 200,000 shares at $1.25 each. Sufficient funds are on hand to complete programmed work, and negotiations are presently being conducted regarding additional future financing arrangements.

Parties are currently working in several areas of British Columbia and the western United States, carrying out basic prospecting and property evaluations.

The foregoing is only a brief summary of activities during the past year. We feel sure that intensified efforts and continuing programs in the coming year will greatly enhance the future outlook for Spartan.

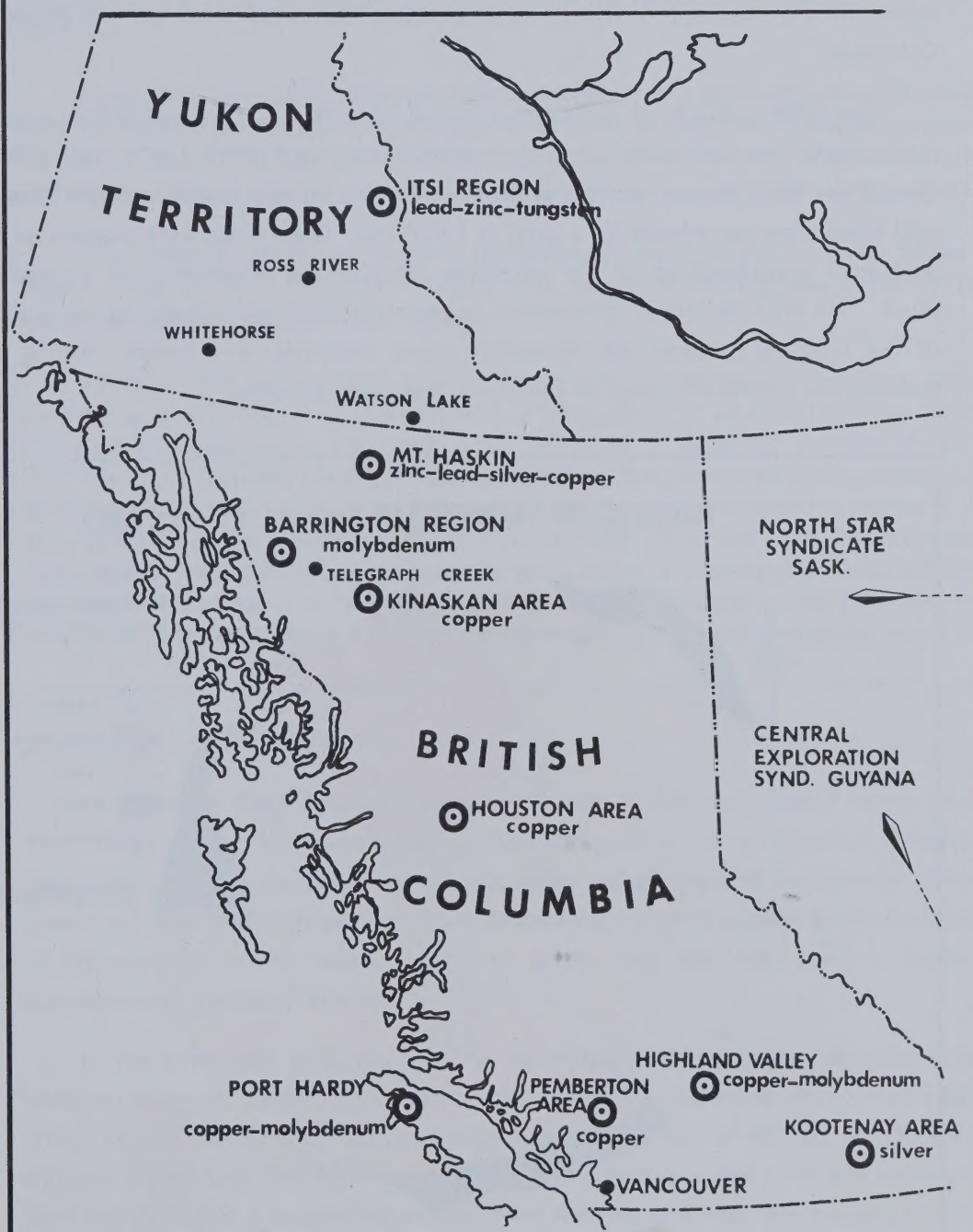
On behalf of the Board of Directors,

"Raymond L. DeProy,"

President.

SPARTAN

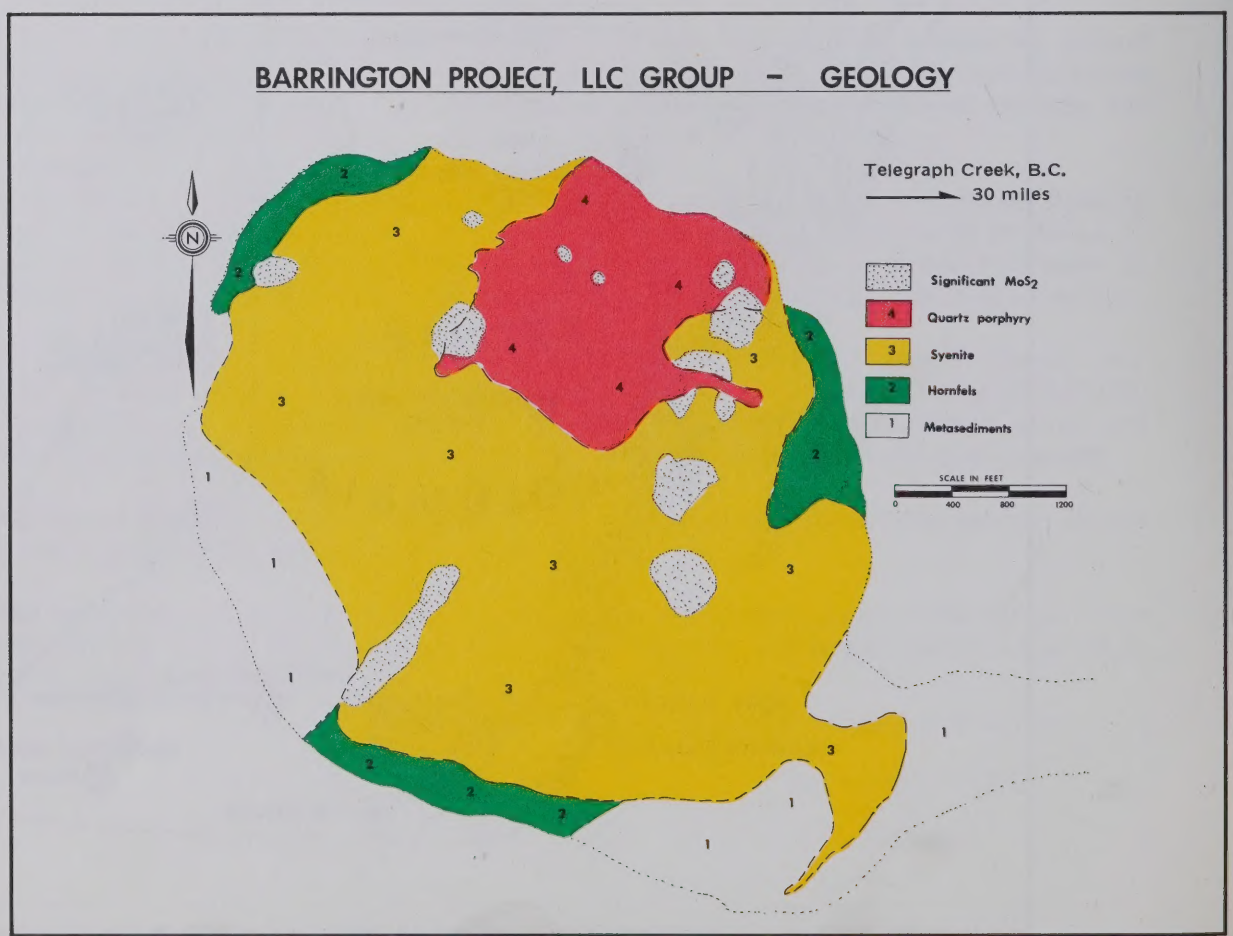
BRITISH COLUMBIA and YUKON



BARRINGTON PROJECT

The Barrington project consists of the LLC claim group staked by Spartan in April, 1968, to cover a porphyry intrusive containing interesting molybdenum mineralization. The area is located north of the Barrington River, approximately 30 miles west of Telegraph Creek, British Columbia.

The 1968 program of detailed geological mapping and diamond drilling returned interesting results, with the best continuous intersection assaying 0.146% MoS_2 over 170 feet in D.H. 1. During the 1969 season, additional geological mapping was carried out and three more diamond drill holes were completed for a total of 1,928 feet. These holes were planned to provide a better geological understanding of the extensive molybdenite mineralization exposed on the claim block. This information, in conjunction with detailed geological mapping and a structural analysis of the fracture patterns and alteration zones, indicates that further drilling is warranted to evaluate the northern contact of the quartz porphyry intrusive.



MOUNT HASKIN PROJECT

The Mount Haskin property comprises five crown grants and two located claims on the south side of Mt. Haskin, 16 miles northeast of Cassiar, British Columbia. The claim group covers parts of the east and west limits of an anticline plunging at a low angle to the north. The core of the fold is intruded by a granite stock which underlies the northeast side of Mount Haskin. Regionally, the property lies on the west limb of the Horseranch anticline, and east of the Cassiar Batholith.

Lead, zinc and silver mineralization is localized in a pyrrhotite-diopside skarn zone which may be traced over a length of 2,300 feet in an easterly direction. It has been traced magnetically for an additional 1,200 feet. A chert-limestone contact within a series of Lower Paleozoic carbonates, banded cherts and quartzites is a prominent feature in localizing mineralization.

The Spartan claims are located immediately south of the Della-Iso Mines property and adjoin those of Fort Reliance Minerals Ltd. Diamond drilling was done by Iso Mines on a molybdenum occurrence during 1968.

During 1969 field season Spartan completed a program of trenching, channel sampling, detailed geological mapping and diamond drilling. Channel samples from five trenches, spaced at 200-foot intervals along the main zone, returned a weighted average of 9.72% combined lead-zinc, 0.11% copper, and 2.21 ozs. of silver per ton, across an average width of 13 feet. Four diamond drill holes, with a total footage of 1,595 feet, were planned to intersect the mineralized zone down-dip. The results confirmed the continuation of the zone down-dip and preliminary calculations from the drilling and surface work indicate a tonnage of 250,000 tons in the main zone with an average of 9.41% combined lead-zinc, 0.10% copper, and 1.45 ozs. of silver per ton. Additional drilling is required to evaluate the magnetic anomaly previously mentioned.

KINASKAN LAKE PROPERTY

In August of 1969, Arnold Racicot, our Senior Prospector, staked 6 claims on a copper showing 2 miles west of Kinaskan Lake, approximately 40 miles southeast of Telegraph Creek, B.C. The claim group is underlain by granitic rocks and covers a strong zone of alteration cut by a prominent northerly striking fault zone. Numerous fractures parallel to the fault contain stringers of chalcopyrite up to several inches in width. The alteration zone is visible over an area approximately 400 by 600 feet.

In the latter part of September, Mr. Racicot drilled 2 short packsack diamond drill holes to undercut some of the better exposed mineralization. These holes were collared 50 feet apart and drilled at -45^{o} to the east and west respectively to a depth of 40 feet. Due to the highly sheared and brecciated nature of the alteration zone core recovery was poor and representative samples were not obtained. The core recovered, along with some sludge, was assayed and returned a value of 0.475% Cu. Further work was curtailed with the arrival of winter but a detailed evaluation program is being planned for the spring.

GUYANA, SOUTH AMERICA

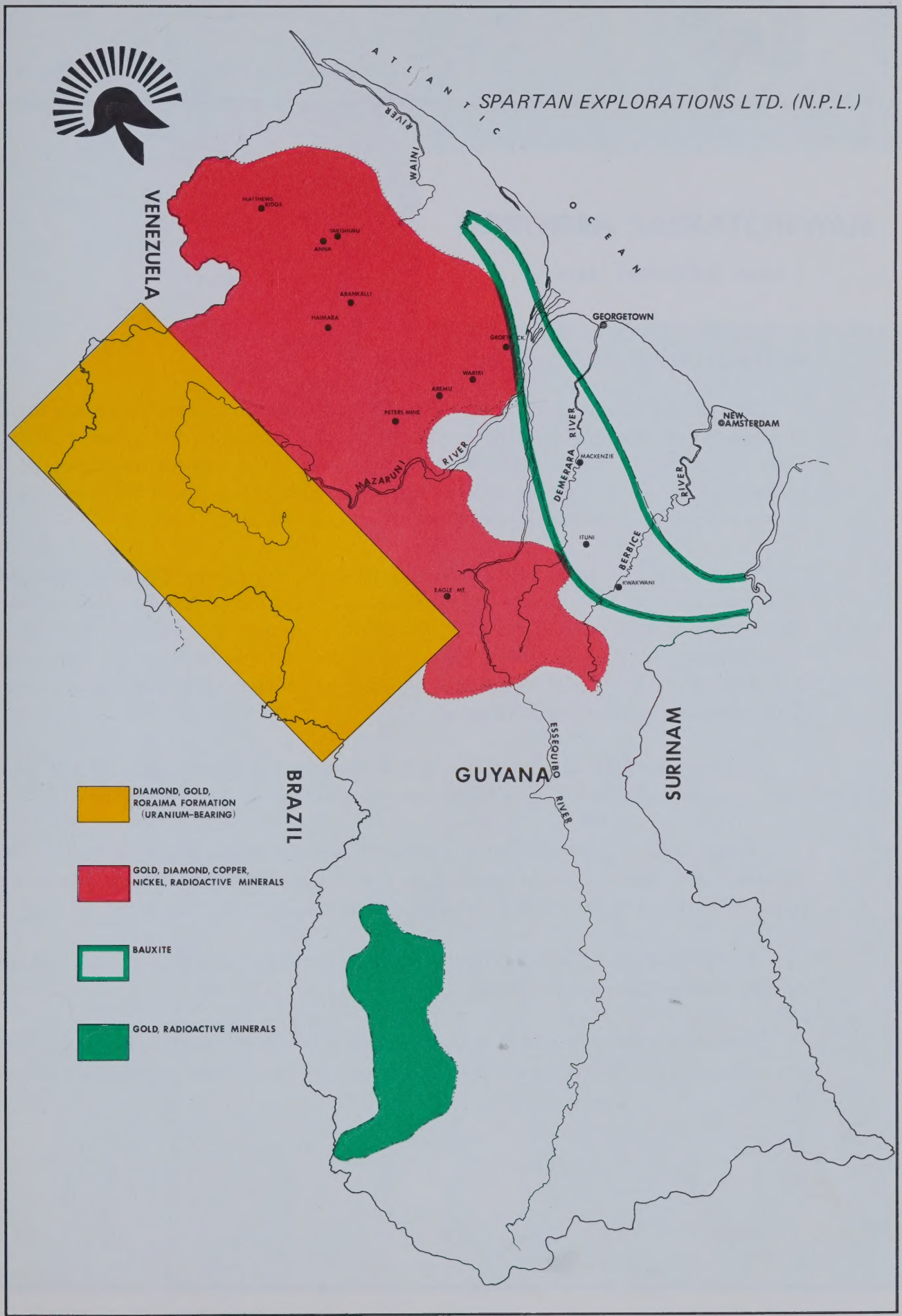
Spartan owns a 25% interest in the Central Exploration Syndicate which is conducting a preliminary exploration program in Guyana, South America.

Under the direction of a Guyana-based Canadian geologist, the Syndicate is endeavouring to establish a harmonious working relationship with the Guyanese Government and business community in every aspect of exploration and development of mineral resources.

The Syndicate has carried out exploration and property familiarization programs for uranium, iron, diamond, placer and lode gold properties. It has also recently applied for a uranium exploration permit.

Demarara Bauxite, a subsidiary of Alcan, is a current producer, while Cominco Ltd. and Denison Mines Ltd. are presently establishing exploration programs.

We believe that properly conducted regional exploration and property evaluations will lead to important Guyanese mineral discoveries in the near future.


SPARTAN EXPLORATIONS LTD. (N.P.L.)
ATLANTIC OCEAN
VENEZUELA
BRAZIL
GUYANA
SURINAM
WAINI RIVER
MATTHEWS RIDGE
YARISHURU
ANNA
ARANKALLI
HAIMARA
WABIRI
AREMU
PETERS MINE
MAZARUNI RIVER
GEORGETOWN
DEMERARA RIVER
MACKENZIE
NEW AMSTERDAM
BERBICE RIVER
ITUNI
KWAKWANI
EAGLE MT.
ESSEQUIBO RIVER
DIAMOND, GOLD, RORAIMA FORMATION (URANIUM-BEARING)
GOLD, DIAMOND, COPPER, NICKEL, RADIOACTIVE MINERALS
BAUXITE
GOLD, RADIOACTIVE MINERALS

NORTH STAR SYNDICATE, SASKATCHEWAN

Spartan has a one-third interest in the North Star Syndicate, operated by Mr. Eric Partridge of Prince Albert, Saskatchewan. A program of prospecting, staking and follow-up work was conducted by the Syndicate during the 1969 field season in an area approximately 100 miles northeast of La Ronge, northern Saskatchewan. A number of interesting showings have been located and the following three properties are of particular interest:

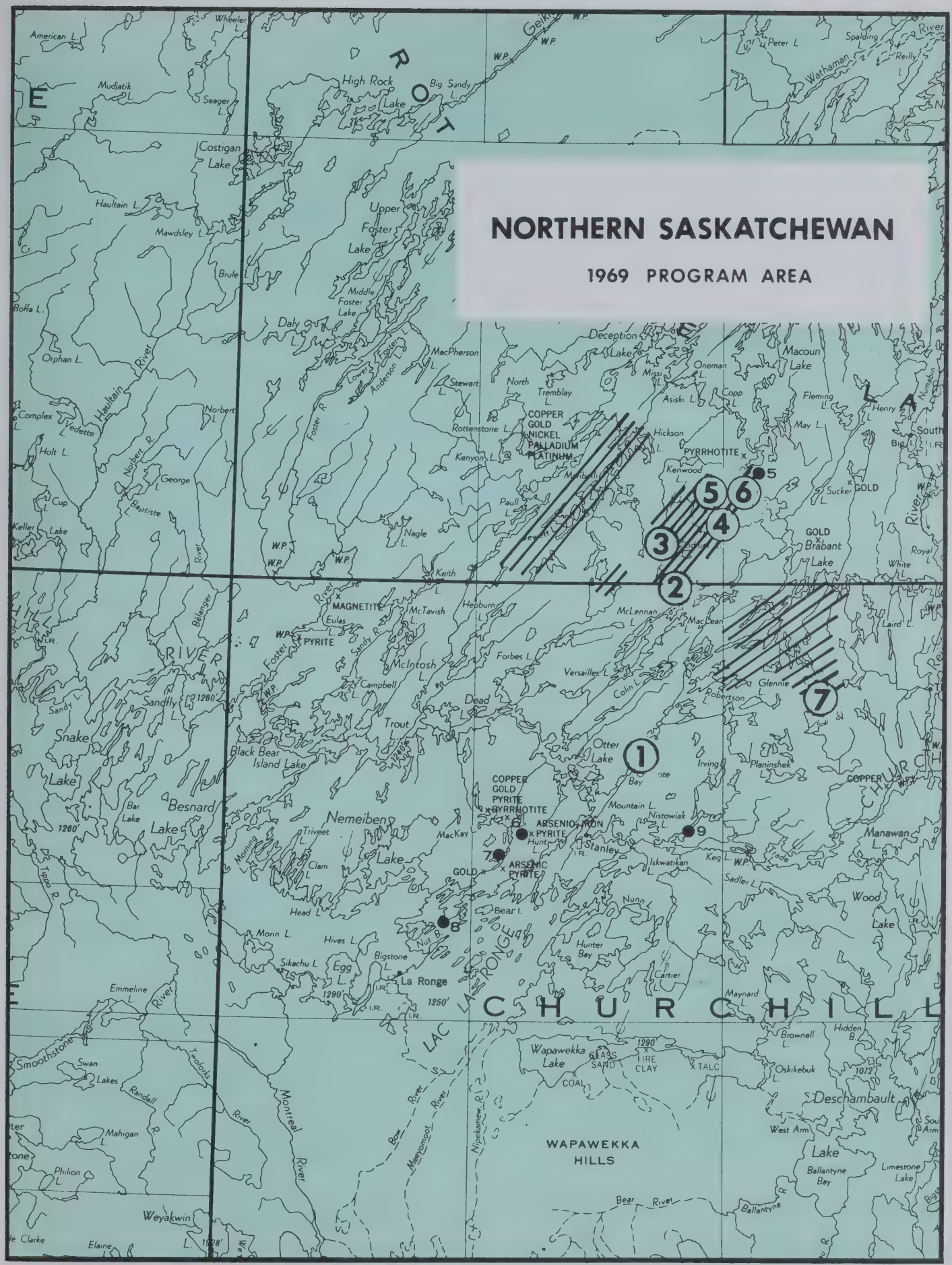
Leech Lake: Disseminated copper mineralization in the form of chalcopyrite occurs in a gabbroic intrusive. Grab samples spaced along a 42-foot trench across the zone returned the following values: 0.03 oz. gold and 1.25% copper; 0.05% copper; 0.09% copper; trace silver and 2.05% copper; trace gold with 0.65% copper. Two diamond drill holes returned a value of 0.40% copper across a true width of 48 feet, and the zone is open to the east. The zone can be traced along strike for approximately 2,000 feet.

Further work involving prospecting and trenching is limited by overburden and the next stage of evaluation will require geophysical techniques and further diamond drilling.

Waddy Lake: Molybdenum and copper mineralization occurs as fracture fillings associated with quartz in float adjacent to a granite intrusive. The granite mass has been compared to the Coast Range intrusives by some observers.

A preliminary soil sampling program returned anomalous molybdenum values and further detailed investigation is being planned.

Towards the end of the 1969 prospecting season an area of interesting gold mineralization was located. One zone returned values of 0.18 oz. gold per ton. Further prospecting is planned in the area.


NORTHERN SASKATCHEWAN
1969 PROGRAM AREA
American L.
Wheeler L.
Mudjatik L.
Seager L.
High Rock Lake
Big Sandy L.
Peter L
Spalding L.
Reilly L.
Wathaman River
Costigan Lake
Haultain L.
Mawdsley L.
Upper Foster Lake
Middle Foster Lake
Brule
Boffa L.
Daly L.
Orphan L.
Haultain River
Complex L.
Vedette L.
Norbert L.
Holt L.
Norbert R.
George L.
Cup L.
Baptiste L.
Keller Lake
MacPherson L.
Lower Foster L.
Anderson L.
Foster R.
Stewart L.
Nagle L.
Keith L.
Deception Lake
North Tremblay L.
Oneman L.
Macoun Lake
Asiski L.
Copp L.
Fleming L.
Henry L.
May L.
South Big I.R.
COPPER
GOLD
NICKEL
PALLADIUM
PLATINUM
Rottenstone L.
Kenyon L.
Hickson L.
PYRRHOTITE
Kenwood L.
Sucker L.
GOLD
Brabant Lake
GOLD
White
Royal L.
Laird L.
MacLean L.
McLennan L.
Hepburn L.
MAGNETITE
PYRITE
Eulas L.
McTavish L.
Belanger River
Sandy R.
Foster R.
McIntosh L.
Forbes L.
Versailles L.
Colin L.
Robertson L.
Glennie L.
Campbell L.
Dead L.
Trout L.
Sandfly L.
Sandy L.
Snake Lake
Black Bear Island Lake
Otter Lake
Irving L.
Planinshek L.
COPPER
Bay
COPPER
GOLD
PYRITE
PYRRHOTITE
ARSENIC
IRON
PYRITE
Mountain L.
Nistowiak L.
Nemeiben Lake
Triveet L.
MacKay L.
Hunt L.
Stanley I.R.
Besnard Lake
Bar Lake
Clam L.
Morning L.
Tipno R.
GOLD
ARSENIC
PYRITE
Iskwatikan L.
Keg L.
Trade
Sadler L.
Manawan L.
Wood Lake I.R.
Head L.
Bear I.
Nunn L.
Morin L.
Hives L.
Nut B.
Hunter Bay
Sikachu L.
Egg L.
Bigstone L.
La Ronge
I.R.
Cartier
Maynard L.
Emmeline L.
Smoothstone L.
Swan Lakes
Twofork R.
Randall R.
Mahigan L.
Philion L.
Weyakwin
Elaine L.
Montreal River
Wapawekka Lake
GLASS SAND
FIRE CLAY
TALC
COAL
Brownell L.
Hidden B.
Oskikebuk L.
Deschambault
West Arm
Lake
Ballantyne Bay
Limestone Lake
Ballantyne
Bear River
Bow River
Meeyomoot River
Nipekamew R.
WAPAWEKKA HILLS
LAC LA RONGE
CHURCHILL
1260'
1290'
1250'
1072'
1928'
W.P.
I.R.
1
2
3
4
5
6
7
8
9

GENERAL

Highland Valley Area, Central British Columbia

Spartan holds 220 claims in the Way group, northeast of the Highland Valley. The claims were staked to cover a prominent airborne magnetic depression feature with associated linears similar in character to those anomalies associated with copper deposits in the Highland Valley. Preliminary work during 1969 consisted of prospecting, geological mapping and a ground magnetometer survey. Further work on this group will depend on new developments in the area.

Houston Area, Central British Columbia

Spartan recently acquired 34 claims in the Sam group, near Goosley Lake, south of Houston, British Columbia, where several potential mining prospects are all currently being explored. Spartan plans to conduct exploration work on these claims during 1970.

Other British Columbia Properties

Spartan holds claims adjoining Pine Lake Mines' property near Owl Lake in Pemberton area, and also adjoining the north end of Lytton Minerals' property near Gnat Lake. Investigations of these groups for Copper mineralization will be continued in 1970.

Spartan holds 12 claims in the AAA group, Port Hardy region of Vancouver Island, where Utah Mining & Construction Co. is planning production of an open pit copper deposit.

Yukon Properties

Spartan holds six claim groups in the east-central Yukon, on which work was completed in the 1968 season. These properties were reported in your company's first Annual Report. Additional work has not been conducted during 1969 due to priorities for expenditures on other projects. The properties will be maintained in good standing and plans for follow-up work during the coming season are currently being discussed.

SPARTAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY) EXHIBIT A

BALANCE SHEET AS AT JULY 31, 1969

(With comparative figures as at July 31, 1968)

ASSETS

	1969	1968
Current Assets		
Cash	$ 14,037	$ 5,531
Bank term deposits and accrued interest	221,793	314,826
Accounts receivable	20,107	5,726
Prepaid expenses	2,679	7,949
Inventories, at cost	–	9,290
	258,616	343,322
Mineral Claims (Note 1)	96,811	76,159
Fixed Assets (Note 2)	45,618	60,451
Deferred Expenditures, at cost (Exhibit B)	416,165	454,531
Incorporation Expense, at cost (Note 4)	–	2,336
	$817,210	$936,799

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities			
Trade accounts payable and accrued liabilities		$ 38,363	$ 50,114
Shareholders' Equity			
Share Capital (Note 3)			
Authorized			
10,000,000 shares of 50¢ each par value			
Issued			
2,753,000 shares (1968: 2,550,000)	$736,500		635,000
Contributed Surplus (Note 4)	413,164		250,000
Deficit (Note 5)	(370,817)	778,847	1,685
		$817,210	$936,799

Approved on behalf of the Board:

"RAYMOND L. DEPROY" Director

"ALAN KULAN" Director

The notes in accompanying Exhibit F form an integral part of these financial statements.

This is the balance sheet referred to in our report dated October 30, 1969.

HALLAM, McALISTER, McAFEE & PEW
Chartered Accountants

AUDITORS' REPORT

The Shareholders,
Spartan Explorations Ltd. (Non-Personal Liability),
Vancouver, B.C.

We have examined the balance sheet of Spartan Explorations Ltd. (Non-Personal Liability) as at July 31, 1969 and the statements of exploration and development expenditures, administrative expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at July 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
October 30, 1969

HALLAM, McALISTER, McAFEE & PEW
Chartered Accountants

SPARTAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY)

EXHIBIT B

STATEMENT OF DEFERRED EXPENDITURES

FOR THE PERIOD FROM INCORPORATION, APRIL 19, 1967, TO JULY 31, 1969

PROPERTIES	Balance for the Period April 19, 1967 to July 31, 1968	Expenditures During the Year Ended July 31, 1969	Total Expenditures for the Period April 19, 1967 to July 31, 1969	Expenditures Written off During the Year Ended July 31, 1969	Balance of Deferred Expenditures July 31, 1969
Logan	$ 190,262	$ (20,131)	$ 170,131	$ 59,679	$ 110,452
Itsi	61,350	28,573	89,923	77,897	12,026
Fortin	38,599	(3,892)	34,707	29,131	5,576
Port Hardy and Mahatta	23,080	19,758	42,838	20,744	22,094
Mink Creek	14,338	264	14,602	14,602	–
Barrington River	11,280	99,788	111,068	–	111,068
Tay	7,434	3,206	10,640	1,747	8,893
Other Exploration – Miscellaneous	25,354	49,503	74,857	74,857	–
Gnat	–	1,600	1,600	–	1,600
Jennings Lake (Blue Light)	–	8,885	8,885	368	8,517
Bonaparte	–	34,426	34,426	17,715	16,711
Fort Smith	–	10,585	10,585	755	9,830
Kootenay	–	8,192	8,192	–	8,192
Northern Alberta	–	9,401	9,401	–	9,401
Mount Haskins	–	8,356	8,356	–	8,356
Exploration and Development Expenditures (Exhibit C)	371,697	258,514	630,211	297,495	332,716
Administrative Expenditures (Exhibit D)	82,834	75,228	158,062	74,613	83,449
	$ 454,531	$ 333,742	$ 788,273	$ 372,108	
DEFERRED EXPENDITURES (Exhibit A)					$ 416,165

EXHIBIT C

SPARTAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY)

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENDITURES

FOR THE YEAR ENDED JULY 31, 1969

Diamond drilling		$ 50,805
Geological surveys and mapping		50,111
Property examinations		46,265
Prospecting		37,355
Geochemical surveys		34,528
Bulldozer trenching		23,941
Exploration planning		23,297
Claim staking		19,815
General supervision		16,576
Preliminary studies		12,525
Geophysical surveys		9,608
Expediting		9,302
Claim surveying and assessments		7,637
Hand trenching		5,555
Airborne surveys		5,012
Linecutting		1,237
Access roads		320
		353,889
Expenditures recovered		
Government Northern Mineral Assistance Program Grant	$ 64,913	
Joint Venture participation in the Jennings Lake Project	30,462	
		95,375
TOTAL EXPENDITURES FOR THE YEAR (Exhibit B)		$ 258,514

NOTE: Because of changes in the accounting of expenditures in the accounts for the year ended July 31, 1969, comparative figures for the preceding period have not been presented in this statement.

SPARTAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY) EXHIBIT D

STATEMENT OF ADMINISTRATIVE EXPENDITURES

FOR THE YEAR ENDED JULY 31, 1969

(With comparative figures for the period from incorporation, April 19, 1967 to July 31, 1968)

		1969	1968
Salaries and wages		$41,216	$41,681
Office rent		8,385	6,575
Legal fees		6,434	5,798
Management fees		6,061	8,500
Postage, stationery and supplies		4,003	7,541
Advertising and promotion		3,555	1,928
Transfer agent's fees		2,990	948
Depreciation of office fixtures, fittings and equipment		2,943	2,938
Telephone and telegraph		2,684	3,557
Stock exchange fees		2,400	–
Copy and reproduction charges		2,219	1,140
Computer and keypunch charges		1,872	1,760
Consultants' fees		1,730	–
Vehicle expenses		1,473	1,340
Insurance		1,299	1,097
Audit fees		1,225	1,175
Licences, taxes and filing fees		961	1,002
Repairs and maintenance		830	544
Subscriptions and dues		612	453
Travel and accommodation		420	4,987
Drafting supplies		404	248
Rental of equipment		336	365
Heat and light		303	221
Bank charges and interest		286	326
Sundry expenses		120	202
		94,761	94,326
Expenditures recovered			
Government Northern Mineral Assistance Program Grant	6,491		–
Joint Venture participation in the Jennings Lake Project	4,570		–
Interest received	7,659		11,092
Rent received	813	19,533	400
TOTAL EXPENDITURES FOR THE PERIOD (Exhibit B)		$75,228	$82,834

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED JULY 31, 1969

(With comparative figures for the period from incorporation, April 19, 1967 to July 31, 1968)

			1969	1968
Source of Funds				
Sale of share capital for cash			$267,000	$810,000
Government Northern Mineral Assistance Program Grant received			71,404	–
Proceeds from joint venture participation in the Jennings Lake Project			35,032	–
Interest received			7,659	11,092
Proceeds of sale of fixed assets			3,465	3,313
Rent received			813	400
			385,373	824,805
Application of Funds				
Exploration and development expenditures	$353,889			$371,697
Items not involving an outlay of funds				
Depreciation	(20,792)			(18,233)
Mineral claims abandoned, at nominal value	(969)			–
	332,128			353,464
Administrative expenditures	94,761			94,326
Items not involving an outlay of funds				
Depreciation	(2,943)			(2,938)
	91,818			91,388
		$423,946		444,852
Payments on options on mineral claims		6,000		–
Purchase of fixed assets		12,761		83,250
Incorporation expense		–		2,336
Investment in North Star Syndicate		15,000		–
Mineral claims recorded at nominal value		621		1,159
			$458,328	531,597
INCREASE (DECREASE) IN WORKING CAPITAL DURING THE PERIOD			(72,955)	293,208
WORKING CAPITAL, BEGINNING OF PERIOD			293,208	–
WORKING CAPITAL AT END OF PERIOD, as below			$220,253	$293,208
WORKING CAPITAL REPRESENTED BY				
Current assets			$258,616	$343,322
Current liabilities			38,363	50,114
Working Capital, as above			$220,253	$293,208

SPARTAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY) EXHIBIT F

NOTES TO FINANCIAL STATEMENTS AS AT JULY 31, 1969

1. As at July 31, 1969, investments in mineral properties comprised:

a)	811 claims staked by the company and recorded at a nominal value of $1 each	$ 811
b)	48 claims purchased by the issuance of 750,000 shares at a deemed price of 10¢ per share	75,000
c)	32 claims and 5 Crown Grants being acquired under options requiring cash payments totalling $181,000 and specified minority numbers of Vendors' shares in new companies that may be formed to hold and develop the properties if the options are exercised. These options may be exercised by payment of varying amounts up to September 30, 1971, of which $6,000 has been paid to July 31, 1969, as required by the option agreements	6,000
d)	1/3 interest in the North Star Syndicate conducting prospecting and exploration for mineral properties in the Province of Saskatchewan	15,000
	Total cost of investment in mineral claims (Exhibit A)	$96,811

The recorded amounts stated in this note are not intended to reflect either the present or future values of the claims concerned.

2. Fixed assets consist of the following:

	July 31, 1969			July 31, 1968
	Cost	Accumulated Depreciation	Net Depreciable Value	Net Depreciable Value
Buildings	$29,498	$11,799	$17,699	$24,465
Field equipment	18,495	10,983	7,512	11,345
Office furniture fixtures & equipment	14,716	5,594	9,122	11,752
Aircraft	12,279	8,186	4,093	8,186
Automotive equipment	14,316	7,124	7,192	4,703
Totals (Exhibit A)	$89,304	$43,686	$45,618	$60,451

3. During the period from the date of incorporation, April 19, 1967, to July 31, 1969, the Company issued shares for a total consideration of $1,152,000, being $736,500 recorded as share capital plus premiums totalling $415,500. The details of issuance of share capital were as follows:

750,000	shares for mineral claims	$ 375,000	
	Discounts	300,000	$ 75,000
2,003,000	shares for cash	$1,001,500	
	Discounts on 1,300,000 shares	340,000	661,500
2,753,000	shares outstanding as at July 31, 1969 (Exhibit A)		$736,500

On February 27, 1969, Mitsui Mining & Smelting Co. Ltd. purchased 53,000 shares of the company at a price of $1.50 per share, subject to the approval of the Japanese government. Payment for these shares was received by the company in April, 1969. Although the shares were not officially issued until August, 1969, they have been treated in the company's accounts as having been issued as at July 31, 1969.

Subsequent to July 31, 1969, the company issued 50,000 shares for cash at a price of $1.25 per share and received payment of $62,500.

4. Contributed surplus comprises:

Excess of proceeds of sale of 703,000 shares over par value	$415,500
Incorporation expense written off	(2,336)
Balance as at July 31, 1969 (Exhibit A)	$413,164

5. The Company's deficit consists of:

Expenditures written off during the year ended July 31, 1969 (Exhibit B)	$(372,108)
Gain on sale of fixed assets - net	1,291
Balance as at July 31, 1969 (Exhibit A)	$(370,817)

6. Of the total outstanding share capital of the company as at July 31, 1969, 750,000 shares were held in escrow by the Canada Permanent Trust Company, subject to the orders of the Superintendent of Brokers of the Province of British Columbia and the Vancouver Stock Exchange.

Further shares outstanding as at July 31, 1969, and held in escrow by the Canada Permanent Trust Company were as follows:

a) 200,000 shares issued at $1 per share to be held in escrow for a period ending April 9, 1970, after which date they will be released at the rate of 10,000 shares per month;

b) 53,000 shares issued at $1.50 per share, (Note 3), to be held in escrow for a period ending February 27, 1971, after which date they will be released at the rate of 10,000 shares per month.

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